

VZCZCXRO1981
RR RUEHMA RUEHPA
DE RUEHCO #0525 1940922
ZNR UUUUU ZZH
R 130922Z JUL 07
FM AMEMBASSY COTONOU
TO RUEHC/SECSTATE WASHDC 9684
INFO RUEHZK/ECOWAS COLLECTIVE
RUEHLMC/MILLENIUM CHALLENGE CORP WASHDC
RUEHFR/AMEMBASSY PARIS 1123
RUEHDK/AMEMBASSY DAKAR 1378
RUEHLO/AMEMBASSY LONDON 0318
RUEHKM/AMEMBASSY KAMPALA 0145

UNCLAS COTONOU 000525

SIPDIS

SENSITIVE

SIPDIS

DEPT FOR AF/EPS: KRZYWDA, AF/W: BANKS, EB/TPP/ABT: LERSTEN
DEPT PASS TO COMMERCE: MD'ANDREA AND USTR: AHEYLIGER/LAGAMA
PARIS FOR D'ELIA
DAKAR FOR FAS (RHANSON)
LONDON FOR HAHN

E.O. 12958: N/A

TAGS: [ECON](#) [ECPS](#) [PGOV](#) [BN](#)

SUBJECT: BENIN: TWO CELL PHONE SERVICE PROVIDERS SHUT DOWN

REF: COTONOU 447

11. SUMMARY: The Benin Provisional Post and Telecommunications Authority (BPPTA, or "Autorite de Regulation des Postes et Telecommunications" in French) has suspended the operating licenses of two Global System Mobile Communications (GSM) cell phone service providers in Benin, and shut down their networks in the country for flaunting regulations that govern the GSM sector in the country. The BPPTA, which had threatened similar action in June (Reftel), has informed the two cell phone service providers that they must apply for reinstatement and comply with all existing regulations if they wish to resume providing cell phone service. The BPPTA has also threatened the two companies (Spacotel-Benin, formerly known as Benincell and MTN, and of which Areeba is a part) and Telecel-Benin (formerly known as Moov) with permanent revocation of their licenses if they continue to flaunt existing laws and regulations. This shutdown of service, which began Thursday evening, July 12, has forced customers, including Mission personnel, to obtain other pre-paid cell phone cards. END SUMMARY.

12. On July 12, the Chairman of BPPTA announced that the licenses of GSM cell phone service providers Spacotel-Benin (formerly known as Benincel and MTN, and the parent company of Areeba) and Telecel-Benin (formerly known as Moov,) were suspended, and shut down the providers' networks in the country. The Chairman further stated that this action was taken because the two companies had not paid required fees, and had also violated existing law by not informing authorities of acquisitions and name changes, which they suspect are often undertaken to mask illegal activity (see Reftel). This suspension and shutdown followed from the BPPTA's decision of July 6, 2007, which affirmed that the companies must pay outstanding licensing fees and comply with all existing rules and regulations.

13. At the same time, the BPPTA announced that another GSM cell phone service provider, Bell Benin, would have its license suspended and its operation shut down within forty-eight hours if it did not pay outstanding licensing fees. The BPPTA also pointed out that Libercom, the GSM subsidiary of the parastatal Benin Telecom, had paid all required licensing fees, totaling 30 billion francs CFA (approximately 6.12 million US Dollars)

14. The shutdown of these two service providers has forced approximately 950,000 subscribers to obtain new cell phone service. The shutdown has affected the U.S. Mission, most of whose employees have cell phone service from Spacotel-Benin/Areeba. The Embassy has obtained pre-paid cell phone cards for Emergency Action Committee

members, and has supplied these cell phone numbers to the Operations Center.

15. COMMENT: While this shutdown of service negatively impacts many consumers, polling by some private television stations suggest that there is significant public support for the decision, which is widely seen as part of President Yayi's ongoing campaign against corruption. It is also widely believed that there are other GSM cell phone service providers who are eager to tap into Benin's market, and who would be willing to pay all required fees and abide by existing laws and regulations. END COMMENT.

WAGONER